

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

In the Matter of	)	
	)	
Application of SBC Communications, Inc.,	)	
Pursuant to Section 271 of the	)	WC Docket No. 02-306
Telecommunications Act of 1996 to Provide	)	
In-Region, InterLATA Services in California	)	

COMMENTS OF THE ALLIANCE FOR PUBLIC TECHNOLOGY

The Alliance for Public Technology has consistently urged the Federal Communications Commission (FCC) to pursue the goal of Section 706 of the Telecommunications Act of 1996<sup>1</sup> in every relevant proceeding by encouraging the reasonable and timely deployment of advanced telecommunications capability to all Americans.<sup>2</sup> Section 706 authorizes the FCC and state telecommunications commissions to use "measures that promote competition in the local telecommunications market or other regulating methods to remove barriers to infrastructure investment," among other means, to achieve the goal of ubiquitous broadband deployment mandated by the Act.

The Alliance for Public Technology (APT) is a nonprofit organization of public interest groups and individuals. APT's members work together to foster broad access to affordable, usable information and communications services and technology for the purpose of bringing better and more affordable health care to all citizens, expanding educational opportunities for

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<sup>1</sup> 47 USC 157 note.

<sup>2</sup> See, e.g., Petition of the Alliance for Public Technology Requesting Issuance of Notice of Inquiry and Notice of Proposed Rulemaking to Implement section 706 of the 1996 Telecommunications Act, CC Docket No. 9244 (Feb. 18, 1998) (APT Petition) at 12-13.

lifelong learning, enabling people with disabilities to function in ways they otherwise could not, creating opportunities for jobs and economic advancement, making government more responsive to all citizens and simplifying access to communications technology. To this end, it is APT's goal to:

make available as far as possible, to all people of the United States, regardless of race, color, national origin, income, residence in rural or urban area, or disability high capacity two-way communications networks capable of enabling users to originate and receive affordable and accessible high quality voice, data, graphics, video and other types of telecommunications services.<sup>3</sup>

The Alliance is not in a position to judge the compliance of any one company with respect to the 14-point checklist of requirements under Section 271, and thus relies upon the expertise of state regulators. We note that the California Public Utilities Commission, after an exhaustive review, unanimously approved SBC's application and concluded that SBC is in compliance with the checklist items in Section 271. According to the PUC, SBC has 178 interconnection agreements with CLEC's, 47 of which are facilities based. Competitors served a total of over 1.7 million customer access lines.<sup>4</sup> CLEC's have doubled their share of access lines in California since 1999.<sup>5</sup>

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<sup>3</sup> Alliance For Public Technology, *Principles to Implement the Goal of Advanced Service* at 3 (1995).

<sup>4</sup> Decision Granting Pacific Bell Telephone Company's Renewed Motion For An Order That It Has Substantially Satisfied The Requirements Of The 14-Point Checklist In § 271 Of The Telecommunications Act Of 1996 Agenda Id #910 at 16.

<sup>5</sup> Federal Communications Commission, "Local Telephone Competition: Status as of December 31, 2001." Wireline Competition Bureau, July 2002. [http://www.fcc.gov/Bureaus/Common\\_Carrier/Reports/FCC-State\\_Link/IAD/lcom0702.pdf](http://www.fcc.gov/Bureaus/Common_Carrier/Reports/FCC-State_Link/IAD/lcom0702.pdf)

Further, SBC's self executing performance assurance plan, crafted by the PUC, protects against backsliding by putting up to \$601 million in penalties at risk annually for noncompliance.<sup>6</sup>

More importantly, SBC has demonstrated a commitment to increased investment in advanced telecommunications. According to SBC, last year the company invested more than \$2.4 billion to upgrade its infrastructure throughout California.<sup>7</sup> Authorization to provide in-region long distance service in California will facilitate SBC capacity to build on economies of scale and scope in order to provide a high standard of service and accelerated deployment of advanced technologies to the consumers of California.

In APT's view, Section 271's interLATA prohibitions constrain the widespread deployment of advanced telecommunications infrastructure and therefore undermine Section 706, which seeks to promote investment in ubiquitous high-speed networks. APT maintains the belief that expeditious approval under Section 271 serves the public interest. Such action would advance the goals of Section 706, and reaffirm the Commission's commitment to eliminating regulatory barriers to investment in high-capacity networks.<sup>8</sup>

The Commission again has the opportunity to bolster Section 706's impact by authorizing SBC to provide long distance telephone service in California. APT strongly urges the Commission to seize this opportunity to increase facilities-based competition for local and long

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<sup>6</sup> Decision Granting Pacific Bell Telephone Company's Renewed Motion For An Order That It Has Substantially Satisfied The Requirements Of The 14-Point Checklist In § 271 Of The Telecommunications Act Of 1996 Agenda Id #910, at 238.

<sup>7</sup> SBC Press Release, SBC Pacific Bell Contributes \$9 Billion to California Economy During 2001 (January 9, 2002), at <http://www.pacbell.com/about/newscenter/showrelease/1,,373,00.html?id=4252>

<sup>8</sup> Comments of the Alliance for Public Technology Supporting Bell Atlantic's Request for Authority to Provide Long Distance Service in New York, In the Matter of Application by New York Telephone Company (d/b/a Bell Atlantic-New York) Bell Atlantic Communications, Inc., NYNEX Long Distance Company and Bell Atlantic Global Networks, Inc., for Authorization to Provide In-Region , InterLATA Services in New York, CC Docket No. 99-295 (Oct. 19, 1999) )(APT NY Comments) at 2.

distance service, and promote ubiquitous broadband network deployment so that all California residents, regardless of their income level, location of residence, or physical disabilities, may improve the quality of their lives through access to new sophisticated telecommunications.

APT has every reason to believe that California customers, particularly low volume users, will reap the same gains from lower prices and bundled services that Arkansas, Missouri, Kansas Oklahoma, and Texas residents are experiencing with SBC's entry into those long distance markets. In anticipation of and in response to SBC's entry into the Texas, Kansas, and Oklahoma long-distance markets, incumbent long-distance carriers AT&T, WorldCom, and Sprint began to offer discounts on their regular long-distance plans to customers who also signed up for local service. These discounts are in the form of bundled long-distance monthly fees with local service charges and credits for signing up for a local/long-distance bundle.<sup>9</sup> AT&T also offered "thank you" messages and thirty minutes of free long distance service to its customers in Kansas and Oklahoma in an effort to keep them from switching to new services.<sup>10</sup> These actions demonstrate tangible benefits for consumers because of an increased number of competitors in the long distance market.

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<sup>9</sup> AT&T bundles residential local and long-distance service with a plan called "AT&T Local One Rate Texas." See <[http://www.att.com/local\\_service/tx/html/index.html](http://www.att.com/local_service/tx/html/index.html)> (visited Oct. 9, 2000); see also J.G. Smith/Johnson Joint Aff. ¶ 43 (AT&T offers this local one rate only in Texas and New York, the two "states in which the incumbent Bell Operating Company has been given access to AT&T's long distance marketplace"). New York was the first state, followed by Texas, where MCI WorldCom started offering its bundled local and long-distance service referred to as "One Company Advantage." See David DeKok, Competitor Calls on Verizon's Mid-State Clients, Harrisburg Patriot-News, Sept. 14, 2000; Bill Sulon, Telephone Companies Prepare for Battle, Harrisburg Patriot-News, Aug. 27, 2000; see J.G. Smith/Johnson Joint Aff. ¶ 46. And Sprint currently bundles residential local and long-distance service for Texans in five different configurations. See Sprint Local Service – Texas, available at <<http://clec.sprint.com/servlet/CLEC?PAGE+TOCOMPARE&MKT=0003?>> (visited Oct. 9, 2000); see J.G. Smith/Johnson Joint Aff. ¶ 45.

<sup>10</sup> AT&T Press Releases "AT&T Long Distance Customers in Oklahoma Get the Message: Thanks for Your Loyalty" and "AT&T Long Distance Customers in Kansas Get the Message: Thanks for Your Loyalty" March 5, 2001. <http://www.att.com/press/item/0,1354,3702,00.html> and <http://www.att.com/press/item/0,1354,3701,00.html>

As SBC deploys its broadband networks, APT encourages the Commission to do all that it can to remove the barriers that inhibit the widest possible extension of these networks. Universal deployment will help all consumers, in California and throughout the United States, to enjoy the benefits of advanced telecommunications capability.

APT respectfully recommends that the Commission authorize SBC to provide long distance service in California

Respectfully requested,

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